

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised due to updated calculations based on information provided by the agency

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	3,157,170	0	0	0	3,157,170
FY2027-2028	4,209,560	0	0	0	4,209,560
FY2028-2029	4,209,560	0	0	0	4,209,560
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill changes provisions of the Child Care Subsidy program, removing the October 1, 2026 sunset on the eligibility cap of 185% of the Federal Poverty Level (FPL). The bill also removes the October 1, 2026 sunset on eligibility for transitional Child Care Subsidy of 200% FPL. Currently, the income cap would revert to the threshold of 130% FPL for regular subsidy and 185% for transitional subsidy.

Based on updated analysis provided by the Department of Health and Human Services (DHHS) that analyzes the estimated cost of child care subsidy scenarios, the estimated funds needed to maintain the current subsidy levels in FY27 is \$3,157,170. Assuming the FY27 cost is 75% of a full year, the cost in SFY28 and beyond is estimated to be \$4,209,560.

Unlike in previous fiscal years, DHHS does not have federal funds available to offset the added costs of maintaining the expanded eligibility. In 2023, DHHS noted in the fiscal note for LB227, which most recently extended the expanded Child Care Subsidy eligibility provisions: “if federal grant funding changes, general funds may be needed to cover a portion or the totality of this aid cost.” At this point in time DHHS confirms that expenses for the Child Care Subsidy program exceed the amount of federal funds available therefore any additional aid costs would necessitate additional state funds.